

## SCRANTON INSURANCE AGENT CHARGED WITH THEFT OF \$1.3 MILLION IN PREMIUMS



The defendant, Brian James Murray, was arrested on July 1, 2010, in Lackawanna County. Murray was the CEO, Chairman and Principal of the Murray Insurance Agency ("MIA") which closed its doors after Murray filed for personal and corporate bankruptcy on September 22, 2009. Once bankruptcy was declared, several insurance carriers audited their accounts with MIA. It was determined that between October 2008 and September 2009, MIA had collected \$1,302,672 in premium payments that should have been forwarded to insurance companies as payment for policies issued to an assortment of businesses, schools and other organizations. Mt. Airy Casino, the University of Scranton, St. Joseph's University, Loyola College of Maryland, Moses Taylor Hospital and the Borough of Phoenixville in Chester County were all victimized by this scam.

Brian Murray has been charged with four counts of Insurance Fraud (F3) and four counts of Theft by Failure to Make Required Disposition of Funds (F3).

## CONTRACTOR CHARGED WITH WORKING WHILE COLLECTING WORKERS' COMPENSATION BENEFITS



On July 28, 2010, William Thomson was arrested in Bucks County. According to the Criminal Complaint, Thomson claimed he injured his back while working at Ace Design in November of 2008. Thomson filed a workers' compensation claim with the PMA Insurance Company and subsequently began collecting workers' compensation benefits. The Complaint further stated that Thomson submitted forms to PMA representing that he was not employed or self-employed at any time while receiving workers' compensation benefits. However, the Complaint stated that Thomson was advertising and doing work as a contractor under the name "Ceiling to Basement Repairs". Furthermore, Thomson was allegedly also doing landscaping and snow removal work for an apartment complex. Additionally, according to the Complaint, Thomson installed a small patio roof on an elderly gentleman's home in the summer of 2009. Thomson quoted the gentleman a price of \$800. Thomson allegedly accompanied the gentleman to the bank to secure payment and tricked the elderly gentleman into withdrawing \$3,800 instead of \$800.

William Thomson has been charged with one count of Insurance Fraud (F3), three counts of Workers' Compensation Fraud (F3) and two counts of Theft by Deception (F3).

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## ARRESTS

Insurance Fraud

- On July 27, 2010, John Hancock was arrested in McKean County. According to the Criminal Complaint, Hancock was receiving disability benefits from the Unum Insurance Company. Under the policy requirements, Hancock was required to report any income received from "deductible sources" including workers' compensation benefits. The Complaint stated that Hancock denied to Unum representatives on several occasions that he was receiving workers' compensation benefits. However, our investigation revealed that Hancock was receiving workers' compensation benefits which resulted in an overpayment of benefits by Unum. John Hancock has been charged with one count of Insurance Fraud (F3) and one count of Theft by Deception (F3).
- On July 6, 2010, Crystal Morgan and Jeanette Miller were arrested in Mercer County. According to the Criminal Complaint, Miller was driving her Mitsubishi without insurance when she crashed into a parked car. The Complaint further stated that Morgan and Miller agreed to report to Morgan's insurer, the Nationwide Insurance Company, that Morgan was driving at the time of the wreck. Additionally, Miller also allegedly persuaded a friend to call Nationwide and play the role of a passenger in the car to seek bodily injury benefits. Nationwide settled with the friend for \$100 and paid benefits totaling \$6,031 for damage to the Mitsubishi. Crystal Morgan and Jeanette Miller have been charged with two counts of Insurance Fraud (F3) and one count of Theft by Deception (F3).
- On July 23, 2010, Rhonda David was arrested in Monroe County. According to the Criminal Complaint, David was driving without insurance when she crashed her car on February 6, 2010. The next day, David obtained coverage from the Safe Auto Insurance Company. The Complaint stated that on February 15<sup>th</sup>, David reported to Safe Auto that the accident



occurred on February 14th. However, it was discovered that David had rented a car on February 8th, allegedly telling the rental agent that she had "totaled" her car. The damage estimate to David's car was \$4,760.17, but Safe Auto denied her claim. Rhonda David has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).

- On July 8, 2010, Chiquila and Joseph Ross were arrested in Greene County. According to the Criminal Complaint, in December 2009, the Ross' filed a claim with the AIG Insurance Company following an accident. AIG informed the Ross' that their automobile policy had lapsed. The Complaint stated that the Ross' then called the Geico Insurance Company and obtained a new automobile policy. The Ross' then called Geico and filed a claim regarding the previous accident and allegedly misrepresented the time of the accident to bring it within the newly obtained coverage period. Chiquila and Joseph Ross have been charged with two counts of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1).
- On July 28, 2010, Walter Smith was arrested in Montgomery County. According to the Criminal Complaint, Smith rear-ended another vehicle causing minor damage. Smith told the other driver he did not wish to go through his insurance company and subsequently issued him two \$200 checks, the first of which bounced. The Complaint further stated that three days later, Smith contacted his insurer, the Nationwide Insurance Company, and reported that his vehicle had been involved in a hit and run accident and that the unknown vehicle had fled the scene. On the same day, Smith allegedly reported the same facts to the Philadelphia Police Department who prepared an accident report for the alleged incident. The Complaint stated that Smith submitted a damage claim to Nationwide and was paid \$2,493.32 for the damage to his vehicle and also submitted a personal injury claim. Walter Smith has been charged with one




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count of Insurance Fraud (F3), one count of Theft by Deception (F3), one count of Criminal Attempt/Theft by Deception (F3) and one count of False Reports to Law Enforcement (M2).

- On July 1, 2010, Thomas Johnson was arrested in Delaware County. According to the Criminal Complaint, Johnson filed a homeowner's insurance claim with the Allstate Insurance Company reporting property stolen from his residence on December 31, 2001. In support of his claim, Johnson submitted receipts totaling \$528.73 for replacement of computers and repair of damages to a door. However, the Complaint stated that the companies named on the receipts did not exist. Additionally, the Complaint stated that Johnson filed a second homeowner's insurance claim with Allstate reporting property, including a Taurus handgun registered to Johnson valued at \$402.80, stolen from his Sharon Hill residence when a burglary occurred on July 26, 2002. However, the Complaint stated that the handgun Johnson reported stolen had been confiscated by the Philadelphia Police Department in June 2000 and was still in their possession at the time of the burglary. Thomas Johnson was picked up in Clayton County, Georgia on a warrant and was extradited back to Pennsylvania. On July 1, 2010, Thomas Johnson was charged in Pennsylvania with two counts of Insurance Fraud (F3) and two counts of Criminal Attempt/Theft by Deception (M1)
- On July 2, 2010, Roxane and Jeffrey Gould were arrested in McKean County. According to the Criminal Complaint, in May 2009, the Gould's son, an excluded driver, was involved in an automobile accident. The Complaint stated that the Goulds falsely identified Jeffrey as the operator of the vehicle and provided a signed statement to the Donegal Insurance Company indicating that Jeffrey was backing out of a parking space when he collided with the claimant's vehicle. However, the Complaint stated that after settling the claim, Donegal received a police report that identified the Gould's son as the operator at the time of the loss. Roxane and Jeffrey Gould have been charged with two counts of

Insurance Fraud (F3) and one count of Theft by Deception (M1).



- Matthew Benedict, Sr. pled guilty to one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3) in Bucks County. Benedict was involved in a one vehicle accident when he struck an embankment near his home and left the scene. Benedict's truck was insured with the Infinity Insurance Company, however, Benedict was an excluded driver due to a suspended driver's license. The following day, Benedict directed his wife to make a claim to Infinity falsely stating that their son had been driving at the time of the accident. Matthew Benedict, Sr. was sentenced to serve 6 to 23 months incarceration and ordered to pay all court costs. 
- John Bowman pled guilty to one count of Insurance Fraud (F3) in Philadelphia County. On July 15, 2008, NJ State Police observed Bowman's car being driven into an auto salvage / storage facility under investigation for shipping stolen cars overseas. Bowman's car remained there until September 24<sup>th</sup>, when it was recovered during the execution of a search warrant. On July 19<sup>th</sup>, Bowman reported his car stolen to Philadelphia Police. Bowman falsely told the police and his insurer, the State Farm Insurance Company, that he parked his car on July 18<sup>th</sup> and discovered it stolen the next morning. On July 13, 2010, John Bowman was sentenced to serve 4 years probation and ordered to pay restitution of \$19,577.25 and all court costs.
- Elesha Cillo pled guilty to one count of Criminal Attempt/Theft by Deception (M1) in Allegheny County. Cillo obtained automobile insurance coverage from the Bristol West Insurance Group after being involved in an automobile accident. Thereafter, Cillo filed a claim for the damage to her vehicle,

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misrepresenting the date and time of her accident in an attempt to bring it within the newly obtained coverage and obtain over \$2,000 in insurance benefits. On July 20, 2010, Elesha Cillo was sentenced to serve 2 years probation and ordered to perform 50 hours of community services and to pay all court costs.

- Yesenia Guillen pled guilty to one count of Criminal Attempt/Theft by Deception (M1) and one count of Identity Theft (M1) in Cumberland County. Guillen fraudulently used a friend's Delta Dental Insurance information to have dental work done. Delta contacted the friend, who confirmed that she had the dental work done. However, x-rays of both individuals confirmed that Guillen used the identity of her friend to have her dental work done. Yesenia Guillen was sentenced to serve 2 years probation and ordered to perform 50 hours of community service and to pay all court costs.
- Brian Ahearn pled guilty to one count of Insurance Fraud (M1) in Allegheny County. Ahearn, uninsured, was involved in a two-car accident. Immediately following the accident, Ahearn obtained an auto policy online with the Esurance Insurance Company without disclosing the accident that had just occurred. Ahearn then falsely reported to the insurer of the other driver that he was insured by Esurance. On July 12, 2010, Brian Ahearn was sentenced to serve 2 years probation and ordered to perform 50 hours of community service and to pay all court costs.
- Patrick Nicolosi, Jr. pled guilty to one count of Theft by Deception (M1) and one count of Forgery (M1) in Monroe County. Patrick Nicolosi filed a disability claim through the Assurity Life Insurance Company for injuries occurring when he was an EMT at St. John's Hospital. In support of the claim, Nicolosi sent in forms stating that he was not working, along with multiple forms allegedly signed by his treating physician. Nicolosi, however, was working the entire time he was receiving disability checks, absent only a few days when he had called out sick. Assurity paid out in excess of \$12,000 on this claim and the doctor who allegedly treated Nicolosi confirmed that he did not sign the forms

submitted by Nicolosi. On July 27, 2010 Patrick Nicolosi was sentenced to serve 2 years probation and ordered to pay restitution of \$9,600 and all court costs.

- Kristy Slappy pled guilty to one count of Theft by Deception (M1) in Beaver County. Kristy Slappy was involved in a motor vehicle accident at which time she was an excluded driver under their policy with the Progressive Insurance Company. Following the accident, Kristy filed a loss report, advising Progressive that her husband, Larry Slappy and mother, Barbara Perry, were involved in an accident. However, the other driver involved in the accident identified Kristy as the driver. On July 16, 2010, Kristy Slappy was sentenced to serve 2 years probation and ordered to pay joint and several restitution of \$2,173.67 and all court costs.
- Anthony Mercadante pled guilty to one count of Theft by Failure to make Required Disposition of Funds (M1) in Washington County. Mercadante, an insurance agent with the Monumental Life Insurance Company, collected insurance premiums for two policies from Agnes Kisner between February 6, 2003 and October 3, 2005. However, Mercadante failed to remit approximately \$1,652 that Kisner had provided to Mercadante. On July 27, 2010, Anthony Mercadante was sentenced to serve 2 years probation and ordered to pay restitution of \$1,652.20 and all court costs.
- Sabra Smith pled guilty to one count of Theft by Deception (M1) in Montgomery County. Smith was part of the All-Care investigation. This pro-active investigation revealed a four-tier ring. The top tier included Dr. Walinsky and Eileen Means, who orchestrated the insurance scam together. The next level involved therapists who submitted insurance bills for services never provided. The third level involved runners who were paid referral fees for bringing individuals or "patients" for treatment at All-Care for injuries that they sustained in staged accidents. The last level





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involved the individuals or patients who were paid to come in for treatment as the result of the staged accidents. Smith was a therapist in the second level of the scam. On July 9, 2010, Sabra Smith was sentenced to serve 18 months probation and ordered to pay all court costs.

- Alex Lopez pled guilty to one count of Insurance Fraud (M1) in Bucks County. Lopez insured his Toyota Corolla and RAV4 with the Infinity Insurance Company and signed forms indicating that only he and his wife would be driving the vehicles. However, our investigation revealed that the Corolla was purchased solely for the use of a friend who was living with them and who had no license to operate a motor vehicle. On July 13, 2010, Alex Lopez was sentenced to serve 1 year probation and ordered to pay all court costs.
- Fawn Twyman pled guilty to one count of Insurance Fraud (M1) in Lancaster County. Twyman provided false criminal history information on an application for her own policy through the American General Insurance Company and on an application through the Prudential Insurance Company for a policy on her boyfriend. When asked whether she had ever been convicted of a criminal offense or if she had been charged / convicted of any driving violations, Twyman responded in the negative. Twyman further stated that her boyfriend had never been convicted of any criminal offense. Our investigation revealed that Twyman had numerous driving violations and that both she and her boyfriend had been convicted of drug offenses within the ten year time period. Twyman admitted she was aware of her boyfriend's criminal history and that he had not reviewed the application, but merely signed it at her request. On July 28, 2010, Fawn Twyman was sentenced to serve 3 to 23 months intermediate punishment, with the first 3 months served under house arrest and was ordered to perform 50 hours of community service and to pay all court costs.

### (ARD) DISPOSITIONS

During the month of July, seven additional

defendants received Accelerated Rehabilitative Disposition (ARD).

## PENNSYLVANIA FRAUD REPORTING REQUIREMENTS

The insurance industry has a corporate responsibility to report fraud. When a reasonable basis exists that insurance fraud has occurred, you should report that suspected fraud to a criminal law enforcement agency. The Insurance Department has issued guidelines setting forth your responsibility for reporting fraud.

Simply reporting fraud to an information system serving the industry does not meet your obligation. In Pennsylvania, fraud must be reported to a Federal, State or local law enforcement agency.

The Office of Attorney General's Insurance Fraud Section is the largest law enforcement entity in Pennsylvania vested with the specific authority to investigate and prosecute insurance fraud.

Insurance Fraud is a serious and very costly crime. As corporate citizens, it is your responsibility and obligation to assist law enforcement in combating this crime. Together, we can reduce the economic and societal impact of this costly crime.

Report suspected fraud to the Pennsylvania Office of Attorney General online at: [www.attorneygeneral.gov](http://www.attorneygeneral.gov)

Additional resources available on our website include:

- Detailed instructions and tips for referring to law enforcement
- Explanation of the basic elements of the offense of insurance fraud
- Pennsylvania Insurance Fraud Statutes and information on how to obtain fraud training materials
- Monthly newsletter that reports on our recent arrests and convictions